(c) whether Government are also aware that the proceedings in the show cause noticle issued for evasion of Central Excise Duty to M/s. ITC Limited, Calcutta, pending adjudication before Central Excise, Delhi have progressed to considerable extent which will lead to confirmation of demand;

(d) what steps Government propose to take to recover the demands in the event of company stripping its assets by resorting to merger/creation of new company, as reported in the 'Economic Times' of 15th April, 1994;

(e) whether the marger would amount to avoidance of stringent action by Government in the event of demands being confirmed by Collector of Excise, Delhi; and

(f) whether Government would stop the stripping of its assets, and withdraw the permission given to ITC Limited if any, for the merger?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. Government is aware that 12 Show Cause Notices involving an alleged evasion of Central Excise duty totally amounting to Rs. 1156.57 crores are pending adjudication before the Collector, Central Excise, Delhi in respect of M/s. ITC Limited and its job workers, referred to as "Outside Contract Manufacturers".

(b) It is a fact that Calcutta High Court has passed an order in favour of Director Anti-Evasion and thereafter the appeal filed by the ITC Limited, Calcutta, was rejected by the Calcutta High Court.

(c) to (f) The matter being sub-judice, can not be commented upon.

Private Sector Banks

6491. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to allow new banks in the private sector as part of liberalisation process;

(b) how many companies have fulfilled the necessary formalities and applied in the prescribed forms; and

(c) whether the response has been poor if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Under the provisions of Banking Regulation Act, 1949, permission for setting up of new banks in the private sector is granted by Reserve Bank of India (RBI) and not the Government. In the light of the recommendations of the Committee on the Financial System (Narasimham Committee), RBI have issued detailed guidelines in January, 1993 on entry of new private sector banks.

(b) and (c) RBI have so far received 27 applications in the prescribed form. Besides, 120 more references have been received by RBI indicating intention to start new banks in the private sector seeking to know the procedure for starting new bank, etc. These applicants have been supplied with copies of guidelines/prescribed application forms by the RBI.

Growth rate of Bank Deposits

6492. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the growth rate of bank deposits during the year 1993-94 has fallen considerably, as reported in the 'Hindustan Times' dated the 7th April, 1994.

(b) if so, the reasons therefor;

(c) whether Government propose to take any fresh concrete steps to boost the growth rate of bank deposits during the year 1994-95; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (d) Reserve Bank of India (RBI) has reported that the date on deposits received in the Hindustan Times dated 7th April, 1994 relate to the last Friday of December, 1993 and are based on a calender year basis. However, the aggregate deposits of scheduled commercial banks recorded an increase of Rs. 45243/- crores (16.8%) during the financial year 1993-94 as compared with an increase of Rs. 37813 crores (16.4%) during the previous financial year 1992-93. The growth rate desposits in 1993-94 was higher than the revised working estimates of Rs. 39000 crores (14.5%) stipulated for the year by Reserve Bank of India. The above growth rate is considered satisfactory. However it may be mentioned that the growth in deposits depends, inter-alia on various factors like the growth in income, the rate of inflation, interest rates on deposits and on alternative financial instruments.

Agreement between India and Britain on Safeguarding Investments

6493. SHRIMATI VEENA VERMA:
SHRI RAJNI RANJAN SAHU:

Will the Minister of FINANCE be pleased to state:

(a) whether during the recent visit of the Prime Minister to Britain an agreement was signed for securing and safeguarding the Indian and British investments in each other's countries; and

(b) if so, the terms of agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) The main features of the agreement are:

—The investments of either country will be protected in the other country;

—Most Favoured Nation Treatment will be accorded by either country to the other country;

—There is provision for settlement of investment disputes;

—Provision has also been made for providing compensation in case of expropriation/nationalisation;

—This agreement will be effective for ten year; thereafter it shall continue in force until a year after either Government has given written notice of termination to the other;

—The agreement will become effective only after the exchange of instruments of ratification.

Loans advanced by public sector and commercial banks

6494. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) the amount of loan advanced by the public sector and commercial banks to priority sector during each of the last three years; and

(b) the amount of loan advanced to agricultural and micro business sectors, separately, during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) The amount of loans advanced by all scheduled commercial banks including public sector banks to priority sector, small scale industries, Retail